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## UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON AT SEATTLE

THE CRUISING CO, ETC., INC.,

Plaintiff,

MAHNKEN ENTERPRISES, INC.; REBEKAH MAHNKEN, individually; and CHRISTOPHER MAHNKEN, her husband, and the marital community composed thereof,

Defendants.

Civil ACon Vo 05 - 0632

COMPLAINT FOR TRADEMARK
INFRINGEMENT AND FALSE
DESIGNATION OF ORIGIN AND
UNFAIR COMPETITION,
CYBERSQUATTING, COPYRIGHT
INFRINGEMENT, MISAPPROPRIATION
OF TRADE SECRETS, TORTIOUS
INTERFERENCE WITH BUSINESS
RELATIONS, UNJUST ENRICHMENT
AND CONVERSION

JURY TRIAL REQUESTED

Plaintiff The Cruising Co, Etc., Inc. hereby alleges the following causes of action against Defendants:

#### I. PARTIES

1. Plaintiff The Cruising Co, Etc., Inc. ("Cruising Co") is a Washington corporation having a place of business in Edgewood, Washington. Cruising Co is actively engaged in providing travel agency services to customers throughout the world.

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05-CV-00632-CMP

**ORIGINAL** 

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COMPLAINT - 1

CRCO-6-1003P01CMP

- 2. Defendant Mahnken Enterprises, Inc. ("MEI") is a Washington corporation having a place of business at 35115 SE Ridge St., Snoqualmie, Washington. On information and belief, Mahnken Enterprises, Inc. has recently begun providing travel agency services.
- 3. Defendant Rebekah Mahnken ("Mahnken") is a Washington resident living at 35115 SE Ridge St., Snoqualmie, Washington. Mahnken is an owner of Mahnken Enterprises, Inc. and is directly responsible for controlling all aspects of the business affairs of this company. All activities of Mahnken Enterprises, Inc. alleged herein were carried out under the direction and control of Mahnken. All acts of Mahnken as alleged herein were done for the benefit of her marital community, which includes Christopher Mahnken.

#### II. NATURE OF THE ACTION

4. This is an action for injunctive relief and monetary damages arising out of Defendants' unauthorized use of Cruising Co's trademarks, domain names, copyrights, training and sales materials, client lists and related proprietary information associated with its provision of travel agency services. This action involves Defendants' infringement of Cruising Co's trademarks as well as unfair competition based on the manner in which Defendants have mislead the public regarding travel agency services and domain name cybersquatting. This action involves Defendants' infringement of Cruising Co's copyrights in website content and other materials related to Cruising Co's travel agency services. This action also involves allegations of misappropriation of trade secrets in violation of RCW § 19.108.010 et seq, and claims for interference with business relations, unjust enrichment and conversion.

#### III. JURISDICTION AND VENUE

5. This action arises, in part, under the trademark and copyright laws of the United States of America, 15 U.S.C. § 1051 et seq. and 17 U.S.C. § 101 et seq., respectively. Jurisdiction over the trademark infringement, false designation of origin and federal unfair competition, cybersquatting and copyright claims is conferred upon this Court by 28 U.S.C. §§ 1331 and 1338. Supplemental jurisdiction is conferred upon this Court over the

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6. This Court has personal jurisdiction over each of the Defendants and venue is proper in the Western District of Washington because the Defendants reside, do business, and can be found therein.

#### IV. GENERAL ALLEGATIONS

7. Cruising Co has provided Internet travel reservations and booking services for a variety of individual, group and commercial clients throughout the United States for approximately eighteen years. Cruising Co provides travel services for some of the largest and most successful companies in the world, including for example the Disney Travel Company.

#### A. CRUISING CO'S TRADEMARK RIGHTS

- 8. Cruising Co is the owner of intellectual property rights associated with the trademarks CRUISING CO ETC and MOUSEEARSVACATIONS.COM as used in association with the provision of travel agency services. Cruising Co is the owner of common law rights in the CRUISING CO ETC and MOUSEEARSVACATIONS.COM trademarks stemming from continuous and substantially exclusive use of the trademark marks throughout the country for more than sixteen years and four years, respectively. Cruising Co's trademark rights further include U.S. Serial No. 78,599,050 for CRUISING CO ETC and U.S. Registration No. 2,711,481 for MOUSEEARSVACATIONS.COM.
- 9. Cruising Co markets, promotes and provides its services throughout the United States and the world in association with its CRUISING CO ETC. and MOUSEEARSVACATIONS.COM trademarks, including at its cruisingco.com mouseearsvacations.com websites. Cruising Co is also the owner of derivative domain names that link or are intended to link to its websites. These include cruisingcoetc.com, mouseearvacation.com. mouseearsvacation.com. mouseearvacations.com. magickingdomtravel.com and disneyhoneymoon.com. Cruising Co's promotion, advertising, and

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use of its trademarks and domain names serve to identify Cruising Co's services, distinguish them from those of others, and identify Cruising Co as the source of those services. As a result, trademarks and domain names have become valuable assets of Cruising Co and a symbol of its goodwill to the general public. Moreover, Cruising Co's use of its trademarks and domain names has conditioned Internet users to find Cruising Co and services through its websites.

#### B. CRUISING CO'S COPYRIGHTS

10. Cruising Co designed, created and has used various travel agency training, promotional, marketing and sales materials, including as content at its webpages. Cruising Co is the owner of copyrights in its various materials, including to website content at its cruising co.com and mouseears vacations.com websites.

#### C. CRUISING CO'S BUSINESS AND PROPRIETARY INFORMATION

- 11. Cruising Co has developed specialized know-how and procedures for training its employees and independent contractors, organizing its employees and independent contractors and the services they provide, and servicing its clients. Over the years, Cruising Co has developed systems and a patterned business practice to successfully orchestrate its customer-service based services, which systems it treats as proprietary and confidential. Cruising Co has compiled a comprehensive client, employee, and independent contractors list as part of its business practices. These lists contain proprietary and confidential business information.
- 12. Cruising Co's business system has been developed and perfected over many years, and tailored to the unique needs of each particular client. If wrongfully appropriated, this system and information could easily be exploited by Cruising Co's competitors and provide them with a competitive advantage. Cruising Co's specialized know-how and procedures for training its employees and independent contractors, organizing its employees and independent contractors and the services they provide, and servicing its clients' systems along with its client lists constitutes Cruising Co's proprietary information, and form an extremely valuable asset of Cruising Co

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13. Cruising Co's proprietary information is not known or readily ascertainable outside of Cruising Co Rather, it is maintained in reasonable confidence by Cruising Co, and only provided to Cruising Co's employees, on condition that the employee agrees to treat the information as proprietary and confidential.

#### Đ. DEFENDANTS' WRONGFUL ACTIONS

- Mahnken was hired as an independent contractor by Cruising Co in February 1998 to provide travel agency services on behalf of Cruising Co On information and belief, prior to her relationship with Cruising Co, Manhken had no previous experience in the travel agency industry. Manhken received training from Cruising Co according to the Cruising Co training manual and training sessions, including on accounting and marketing procedures.
- As part of her employment with Cruising Co, Mahnken assisted Cruising Co in 15. securing and developing its Internet presence, including its cruisingco.com and mouseearsvacations.com websites. At Mahnken's suggestion, Cruising Co retained Mahnken's husband, Christopher Mahnken, and the Manhken's company, MEI, to assist Manhken with her work on Cruising Co's websites. In early 1999, under Cruising Co's direction, Defendants began developing the website to promote Cruising Co's travel agency services on the Internet. Defendants acted as technicians in the development of the *cruisingco.com* website; Cruising Co provided Mahnken and the other Defendants with the majority of the themes and content for the website, verbatim or derived from Cruising Co's copyrighted travel agency materials, which was subsequently integrated for publication on the Internet. Travel vendors supplied additional content describing tour and travel packages that were added verbatim.
- 16. As part of Defendants' work for Cruising Co on the cruisingco.com website, Manhken was instructed by Cruising Co to secure various domain names, including the cruisingco.com and cruisingcoetc.com domain name registrations. Unbeknownst to Cruising Coat the time, on or about February 19, 1998, without the permission of Cruising Co, rather than registering the cruisingco.com and cruisingcoetc.com domain names in the name of Cruising Co,

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Defendants registered the domain names showing registrant, administrative contact, and technical contact as MEI. During the time Manhken remained employed by Cruising Co, and Cruising Co continued to control the content of the website, customer contacts generated via the *cruisingco.com* website, whether directly or indirectly from other linked websites, went to Cruising Co Accordingly, the fact that the domain names had been registered in other than Cruising Co's name did not affect its business. Cruising Co likewise did not object that its domain names were registered in MEI's name once it learned this to be the case based on Defendants' representation that it was an administrative necessity to enable Defendants to easily access and update Cruising Co's websites.

- 17. Cruising Co paid all costs associated with the *cruisingco.com* and *cruisingcoetc.com* domain names, including all costs associated with securing the domain names, developing the *cruisingco.com* website content, linking and advertising and all technical and marketing costs to maintain the domain names and promote the website.
- 18. In early 2001, under Cruising Co's direction, Manhken was again instructed, as part of her employment with Cruising Co, to secure and develop a new website for Cruising Co, namely, the *mousearsvacations.com* website. Mouse Ears Vacations is a division of Cruising Co specializing in travel to the Disney Resorts and Cruises. As before, Defendants acted as technicians in the development of the *mousearsvacations.com* website; Disney and Cruising Co provided Mahnken and the other Defendants with the majority of the themes and content for the website, which was subsequently integrated for publication on the Internet.
- 19. As part of Defendants' work for Cruising Co on the mousearsvacations.com website, Manhken was instructed by Cruising Co to secure the mousearsvacations.com domain name registration, along with variations on this domain name including: mouseearvacation.com, mouseearsvacation.com and mouseearvacations.com. Again, unbeknownst to Cruising Co at the time, and without the permission of Cruising Co, rather than registering these domain names in the name of Cruising Co, Defendants registered the domain names showing registrant,

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administrative contact, and technical contact for the domain name as MEI. As with the cruising co.com domain name, during the time Manhken remained employed by Cruising Co, and Cruising Co continued to control the content of the website, customer contacts generated via the mousearsvacations.com website, whether directly or indirectly from other linked websites, went to Cruising Co Accordingly, the fact that the domain names had been registered in other than Cruising Co's name did not affect its business. Cruising Co likewise did not object that its domain names were registered in MEI's name once it learned this to be the case based on Defendants' representation that it was an administrative necessity to enable Defendants to easily access and update Cruising Co's websites.

- 20. Cruising Co paid all costs associated with the mousearsvacations.com, mouseeurvacation.com, mouseeurvacation.com and mouseeurvacations.com domain names, including all costs associated with securing the domain names, developing the mousearsvacations.com website content, linking and advertising and all technical and marketing costs to maintain the domain names and promote the website.
- 21. In a similar fashion, at the instruction of Cruising Co and at its expense, Defendants secured various domain names on behalf of Cruising Co during the time Manhken was employed with Cruising Co These domain names include *magickingdomtravel.com* and *disneyhoneymoon.com*, and perhaps others.
- 22. During the course of her employment at Cruising Co, Manhken had access to and used Cruising Co's proprietary information, including but not limited to Cruising Co's systems and patterned business practices, along with its client lists, as described above.
- 23. On information and belief, in early 2005, while still employed by Cruising Co, Manhken and the other Defendants began to offer travel agency services independent of and in competition with Cruising Co Defendants began to usurp customer leads obtained through their involvement with Cruising Co, including leads derived from the *cruisingco.com* and *mousearsvacations.com* websites, whether directly or indirectly from other linked domain

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- 24. Defendants have also copied and used, without authorization, Cruising Co's copyrighted travel agency materials by virtue of their continued publication and control of Cruising Co's websites. Defendants' unauthorized copying of Cruising Co's materials has given them an improper and unfair advantage in competition with Cruising Co in the promotion and provision of travel agency services.
- 25. Cruising Co demanded that Defendants transfer ownership in the various domain names to Cruising Co, and provide Cruising Co with all information and materials associated with the websites necessary to maintain the websites and collect the contacts derived therefrom, and cease further use of Cruising Co's copyright content. Defendants have refused, asserting that they owned the domain names and website content and have the authority to control content to and contacts resulting from the websites. Defendants have refused to forward Internet sales leads procured from the websites to Cruising Co, claiming that the websites are their source of income.
- 26. Rather than transfer the domain names properly belonging to Cruising Co, Defendants have offered to sell the websites to Cruising Co Defendants otherwise have refused to turn over ownership and control of the websites to Cruising Co
- 27. Cruising Co terminated Mahnken's employment and severed all business relationships with the other Defendants on or about March 16, 2005.

#### V. CAUSES OF ACTION

#### COURT I: TRADEMARK INFRINGEMENT

- 28. Cruising Co realleges the preceding paragraphs of this complaint.
- 29. Defendants have and, on information and belief, continue to use the CRUISING CO ETC and MOUSEEARSVACATIONS.COM trademarks and domain names at cruisingco.com and mousearsvacations.com in association with the provision of travel agency

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services. Defendants' use of these marks is confusingly similar to Cruising Co's use of its trademarks, particularly given that the marks are used in association with the provision of similar travel agency services.

- 30. After learning of Defendant's wrongful actions, Cruising Co demanded in writing that Defendants cease infringing Cruising Co's trademarks. To date Mahnken has refused to cease infringement.
- 31. These acts of Defendants have caused and, unless restrained by this Court, will continue to cause serious and irreparable harm to Cruising Co and to the goodwill associated with its trademarks and Internet websites. Moreover, Defendants have and will continue to unjustly benefit—at Cruising Co's expense—from gains, profits and advances derived from the services provided in association with the infringing marks and at the *cruisingco.com* and *mousearsvacations.com* websites.
- 32. The impact of Defendants' trademark infringement is particularly acute in the context of Internet services. Defendants' unauthorized use of Cruising Co's trademarks allows Defendants to misdirect Internet search engines and, ultimately, the public from Cruising Co's websites to Defendants. In so doing, Defendants unfairly compete with Cruising Co or otherwise unjustly benefits from Defendants' wrongful actions.
- 33. Defendants have no license from Cruising Co and, despite a written request to cease its wrongful activities, Defendants have deliberately and willfully infringed Cruising Co's trademarks and engaged in unfair business practices.

### COUNT II: CYBERSOLIATTING

- 34. Cruising Co realleges the preceding paragraphs of this complaint.
- 35. Defendants assertions of authority, ownership and control over Cruising Co's websites, including cruisingco.com, cruisingcoetc.com, mousearsvacations.com, mouseearsvacation.com, mouseearsvacation.com, mouseearsvacations.com, mouseearsvacations.com, and perhaps other domain names

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registered by Defendants on behalf of Cruising Co, constitute cybersquatting under the Anticyberquatting Consumer Protection Act, 15 U.S.C. § 43.

- 36. Defendants have provided misleading contact information by fraudulently registering the domain names with intent to divert customers, withhold sales leads, and offer to sell the domain names and associated website content back to Cruising Co, the lawful owner.
- 37. Defendants have no authority, license, or other intellectual property rights in the domain names as they were commissioned and paid for by Cruising Co and in many instances incorporate Cruising Co's trademarks.
- 38. Defendants' actions constitute intentional and willful violation of the Anticybersquatting Consumer Protection Act.

#### COUNT III: COPYRIGHT INFRINGEMENT

- 39. Cruising Co realleges the preceding paragraphs of this complaint.
- 40. The travel agency training, promotional, marketing and sales materials, created and used by Cruising Co, constitute original works protected under the copyright laws of the United States. Cruising Co has complied in all respects with Title 17 of the United States Code and all other laws governing copyrights and has secured the exclusive rights and privileges in and to the copyrights. Federal copyright registrations for these materials are pending; Cruising Co will supplement the record with copies of these copyright registrations when obtained from the Copyright Office. Cruising Co has at all times relevant been and continues to be the sole proprietor of all right, title, and interest in and to these copyrights.
- 41. Defendants have infringed and continue to infringe Cruising Co's copyrights in its travel agency materials, including its website content. Defendants have, without authorization, obtained protected information presented in these materials and have recreated and used Cruising Co's copyrighted work to advertise competing travel agency services to the public. Defendants had access to Cruising Co's copyrighted materials from Manhken's employment with Cruising Co and the other Defendants' business relationship with the company. Defendants' infringing

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activities were and are deliberate, knowing, willful, and malicious, and were designed to provide Defendants with an economic advantage over Cruising Co

42. Defendants' actions constitute copyright infringement in violation of 17 U.S.C. § 101 et seq.

#### COUNT IV: MISAPPROPRIATION OF TRADE SECRETS

- 43. Cruising Co realleges the preceding paragraphs of this complaint.
- 44. Cruising Co's proprietary information constitutes a trade secret under the Washington Uniform Trade Secrets Act. By the course of conduct between the parties, Defendants have knowledge of the existence and restriction on the use of Cruising Co's proprietary information. Cruising Co's proprietary information contains information that derives substantial independent economic value from not being generally known, and not being readily ascertainable by others through proper means. At all relevant times, Cruising Co has exerted and continues to exert reasonable efforts to maintain its proprietary information confidential.
- 45. Defendants have willfully and maliciously misappropriated trade secrets of Cruising Co and has used and continues to use misappropriated trade secret information in violation of R.C.W. 19.108 et seq.

#### COUNT V: TORTUOUS INTERFERENCE WITH BUSINESS RELATIONS

- 46. Cruising Co realleges the preceding paragraphs of this complaint.
- 47. Defendants have at all times been aware of Cruising Co's business relationships with its clients including, among other clients, the Disney Travel Company.
- 48. Defendants intentionally, willfully and using carefully considered stratagem subverted Cruising Co's ability to work with its clients and prevented the advertising to attract new customers.
- 49. Defendant's actions constitute tortuous interference with business relations between Cruising Co and their existing and potential clients.

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#### COUNT VI: UNJUST ENRICHMENT

- 50. Cruising Co realleges the preceding paragraphs of this complaint.
- 51. Defendants have been unjustly enriched, to the detriment of Cruising Co, by gains, profits, and advances obtained from refusing to transfer ownership and control of the cruisingco.com and mousearsvacations.com and other domain names and websites, withholding Internet sales leads from these websites, exploiting the withheld sales leads, and using Cruising Co's proprietary information without authorization and in competition with Cruising Co

#### COUNT VII: CONVERSION

- 52. Cruising Co realleges the preceding paragraphs of this complaint.
- 53. Defendants are in wrongful control of Cruising Co's website domain names and content, along with Cruising Co's proprietary information, client and customer lists, website sales leads and profits and Internet advertising leads.
- 54. Cruising Co has made repeated requests to Defendants for the return and control of its property. Defendants have consistently denied Cruising Co's requests and continue to assert authority and control over its property. Defendants only other response is to offer Cruising Co's property for sale back to the Cruising Co
- 55. Defendants intentionally exercise dominion and control inconsistent with Cruising Co's property so as to substantially interfere with Cruising Co's right to that property. Defendants do so in bad faith and with harm to the property.

#### VI. PRAYER FOR RELIEF

Cruising Co requests the following alternative and cumulative relief:

1. Preliminary and permanent injunctions against Defendants and all officers, agents, affiliates, employees, representatives, and all persons in active concert or participation with them in any way, from use of the marks CRUISING CO ETC and MOUSEEARSVACATIONS.COM, or any other marks confusingly similar thereto, as a service mark, trademark, trade name, domain name or part thereof alone or in combination with other words, symbols, styles, titles or marks in connection with the provision of travel agency services;

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- 2. Preliminary and permanent injunctions against Defendants, enjoining Defendants and all officers, agents, affiliates, employees, representatives, and all persons in active concert or participation with them in any way, from use of Cruising Co's copyrighted travel agency materials or proprietary information.
- 3. An order that Defendants deliver up for seizure and recovery all products, printed material, stationery, business forms, signs, advertisements, brochures, promotional material, manuals, pamphlets, labels, packages, containers, and all other materials bearing the mark CRUISING CO ETC or MOUSEEARSVACATIONS.COM, or any derivative, colorable imitation, or confusingly similar marks, together with all means for making or reproducing the same, pursuant to 15 U.S.C. § 1118 and other applicable law.
- 4. An order for seizure to recover, impound, and destroy all things infringing Cruising Co's copyrighted materials, regardless of the format in which it has been copied or maintained, that Defendants may possess or have under their control, or under the control of any of Defendants' respective officers, agents, servants, employees, attorneys, or any other person acting in concert or participation with Defendants.
- 5. An order that Defendants immediately assign or otherwise transfer to Cruising Co ownership of all domain names described herein that are owned by Cruising Co, including all domain names incorporating in whole or part the mark CRUISING CO ETC or MOUSEEARSVACATIONS.COM or any other marks confusingly similar thereto, including without limitation cruisingco.com, cruisingcoetc.com, mouseearsvacations.com, mouseearvacation.com, mouseearvacation.com, mouseearvacation.com, magickingdomtravel.com and disneyhoneymoon.com.
- 6. An order requiring Defendants to file with this Court and serve on Cruising Co within thirty days of service of this order a report in writing under oath setting forth in detail the manner and form in which Defendants have complied with the terms of the ordered relief.
- 7. An award of damages sufficient to compensate Cruising Co for all injury sustained as a result of Defendants' wrongful activities, including wrongful profits of Defendants, as provided under applicable law.
- 8. Exemplary damages and all of Cruising Co's litigation expenses, including reasonable attorneys' fees and costs, as provided under applicable law.
- 9. An assessment of prejudgment interest and costs.

10. Such other and further relief as the Court may deem just and proper.

RESPECTFULLY SUBMITTED this \_3/5 day of March, 2005.

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Mark I. Lowe, WSBA No. 16,796 David A. Lowe, WSBA No. 24,453

Attorneys for The Cruising Co, Etc., Inc.